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South-South cooperation for development

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Addendum

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Chapter III

Thematic discussion: the role of the United Nations in strengthening South-South and triangular cooperation

1. The High-level Committee on South-South Cooperation considered item 4 of its agenda at its fourth meeting, on 30 May 2007.

2. The Moderator of the panel discussion introduced the six panel members.

3. The presenter of the theme "Enhancing United Nations system coordination and coherence of support to South-South cooperation" stated that South-South cooperation in the current environment is being undertaken because of the dynamics of economic, social and political developments rather than as a result of any formal United Nations decisions. It is a response to political developments in and among regions and the requirements of developed countries.

4. Southern countries hold the largest foreign-exchange reserves and the technological levels of some developing countries are the same as those of developed countries. The expansion of bilateral and interregional cooperation among developing countries indicates the increased capability and profitability of South-South cooperation.

5. Thirty years ago, South-South cooperation consisted largely of technical cooperation, whereas today it covers the gamut of economic and social relations. Economic and political complementarities are driving the expansion of South-South trade despite constraints.

6. Restrictions to trade growth sometimes stem from the relationship with industrial countries (e.g., tariff structures that discriminate against developing countries). While South-South mechanisms attempt to address these built-in

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inequalities, cooperation and solidarity in the context of North-South relations could contribute to a levelling of the playing field or even to the creation of an uneven playing field in favour of the weakest countries.

7. More systematic mechanisms are needed for promoting South-South cooperation and maximizing its impact. These include institutional arrangements, such as global mechanisms that could be used to coordinate assistance between and among developing countries. The United Nations system could strengthen institutional mechanisms for South-South cooperation based on the experiences of its various organizations. It could play a key role in dealing with such global issues as trade and trading systems; the reform of financial and monetary systems; the transfer of technology; energy; climate change; migration (especially South-South Migration); and global economic governance. It also could contribute to analysis and recommendations that are equitable for developing countries and not merely an echo of the status quo. It could, in fact, play a pioneering role in changing the status quo.

8. The presenter of the theme "The role of the United Nations in strengthening South-South and triangular cooperation" indicated that one of the cornerstones of enhanced South-South cooperation was the sharing of experiences and expertise. Partnerships for triangular cooperation, involving the expertise of countries of the South supported by funds of countries of the North or multilateral organizations, could be used to help countries at a less advanced stage of development.

9. The United Nations system, with its global reach, could contribute to the institutionalization of the South-South cooperation modality through its regional bodies. It could consolidate its cooperation efforts, moving from ad hoc projects to a more coherent, coordinated approach. In addition, it could establish methods of financing, including cost-sharing with clearly defined components.

10. The United Nations system could encourage the involvement of all stakeholders in the conceptualization, formulation and monitoring of programmes, which should be based on country-specific needs. This would help to ensure a sense of ownership and thus contribute to project completion. The effectiveness of any programme would depend on the rating by recipient countries and benchmarking against agreed indicators of the benefits of undertaking such activities.

11. The United Nations Development Programme (UNDP) and the Special Unit for South-South Cooperation could encourage United Nations bodies at the national level to work closely with national focal points for South-South cooperation.

12. The Special Unit for South-South Cooperation could conduct an audit of the strengths of development partners (i.e., the more advanced countries of the South) and the requirements of needy developing countries, and could share the information thereby obtained. The sharing of information regionally might result in better solutions to identified issues, particularly transboundary ones. It also could encourage increased participation of developed countries and greater involvement of the private sector and non-governmental organizations in South-South and triangular cooperation.

13. In the discussion following the first two presentations, it was noted that South-South cooperation should be demand driven since a supply-driven cooperation strategy could compromise the sustainability of South-South cooperation initiatives. However, difficulties sometimes arose in matching needs and resources. An

inter-agency network to share knowledge and experiences would be one means of addressing this issue, and one such network is in place in Bangkok.

14. The presenter of the theme "The role of the United Nations Industrial Development Organization (UNIDO) in strengthening South-South and triangular cooperation" noted that UNIDO was responsible for providing industrial development and manufacturing support to developing countries and countries in transition. It played a role in analysis, mapping, building of partnerships among countries in the South and promoting regional trade and cooperation. The objective of South-South cooperation activities was to facilitate the effective participation of developing economies in the global economy.

15. UNIDO was establishing centres for South-South cooperation in a number of middle-income countries to strengthen and facilitate the sharing of experiences, know-how and management techniques to develop productive capacity in the South. These South-South centres would also promote the replication of best practices in wealth creation through industrial growth. They would network among themselves in developing joint programmes, taking into consideration the participants' comparative advantages.

16. The presenter of the theme "Building effective mechanisms for multilateral South-South cooperation" focused on two pillars of a South-South cooperation architecture: a South-South development forum and a network of South-South academies. The presenter observed that South-South cooperation was a complex issue, requiring both an interdisciplinary approach and a new approach to South-South relationships in which it would be important to take advantage of South-South capacities.

17. Since all aspects of human development could be the subject of South-South cooperation, including security and interrelated challenges, this created complex demands and called for skills in multilateral diplomacy. Developing countries would thus need to work closely with all stakeholders, such as civil society and the business community, in developing common objectives.

18. A South-South forum would give a coherent voice to the South, serving as a recognized venue for consensus-building. It could be informal but would function like a parliamentary institution; that is, it would be a deliberative and rule-making structure. It would seek to, among other things, contribute to the implementation of plans of action adopted by the Group of 77 Summit, catalyse the mobilization of financing for cooperation, influence public opinion in favour of such cooperation and advance South-South cooperation programmes.

19. A network of South-South academies would meet the need for capacity-building in multilateral development diplomacy. It would provide intellectual support for the conduct of such diplomacy and serve as an intellectual network that could increase coherence in policymaking. It would support the United Nations system with respect to actions on development.

20. In the discussion following the third and fourth presentations, it was observed that the United Nations system needed to help countries to build internal capacity so that they would be better equipped to handle matters outside their own borders.

21. One delegation noted the lack of efficient institutions for the promotion of South-South cooperation. While institution-building was important, it was

incumbent upon Member States to indicate their priorities in this area. Member States should also indicate the extent of the involvement of each multilateral institution with South-South cooperation. Another delegation observed that international cooperation should not accommodate donor needs.

22. Care should be taken, however, not to view South-South cooperation from the perspective of traditional cooperation. The presenter of the theme "The role of UNIDO in strengthening South-South and triangular cooperation" indicated that while South-South cooperation was an old concept, the new UNIDO model of South-South cooperation involved the private sector, civil society and non-governmental organizations.

23. Further efforts of the United Nations system in strengthening South-South cooperation could focus on ways to remove the stigma attached to South-South cooperation through the sensitization and dissemination of information. The United Nations system could also identify and foster diversity and innovation among developing countries so that it would be possible to see where South-South cooperation could be promoted. The identification of synergies and complementarities among North-South, South-South and triangular cooperation and the dissemination of that information would contribute to overcoming the misconception that these are competing types of cooperation. Since the United Nations system and developing countries could do little without resources to facilitate activities, the United Nations system should enhance its resource mobilization efforts for South-South cooperation.

24. Greater cooperation among the organizations of the United Nations system would help to strengthen South-South cooperation. There was also a need for increased coordination of efforts to improve the use of resources and synergies that could be created among the agencies.

25. One delegation indicated that consideration could also be given to ways in which the United Nations system could help to usher in new approaches to South-South cooperation, how it could use its expertise to identify priority areas where developing countries could cooperate to formulate corresponding policies, how Member States could strengthen the capacity of United Nations agencies (e.g., the High-level Committee on South-South Cooperation and the Special Unit for South-South Cooperation) for South-South cooperation, and how the United Nations system could mobilize financial resources for such cooperation. It was noted that policies developed should be practical and action oriented, provide macroguidance and help to communicate information.

26. The presenter of the theme "The role of the United Nations in strengthening South-South and triangular cooperation to foster links between the environment and development" signalled the importance of South-South and triangular cooperation in achieving the Millennium Development Goals, including goal 7 on environmental sustainability and goal 8 on global partnership for development.

27. The United Nations played a pivotal role in South-South and triangular cooperation and it could institutionalize those types of cooperation. A South-South cooperation strategy for the environment and development was needed along with implementation mechanisms. Moreover, regional programmes for implementing the Millennium Development Goals were needed and existing regional organizations

should be strengthened. The United Nations could support initiatives for the dissemination of information and expertise.

28. The presenter of the theme "The role of the United Nations in strengthening private-sector South-South and triangular cooperation" stated that South-South cooperation was an approach, a tool in a toolkit for meeting development challenges. In terms of the private sector, South-South cooperation involved risk-sharing by a bilateral donor with a multilateral lender in cooperation with the Government.

29. As part of the United Nations system, the Special Unit for South-South Cooperation could disseminate best practices regarding partnerships. It could also fund a study of the role of the private sector in achieving the Millennium Development Goals. In addition, the Special Unit could be a source of data on, for example, the size of the donors that were not members of the Development Assistance Committee of the Organization for Economic Cooperation and Development.

30. The United Nations system could also support the principles of global corporate social responsibility. In addition, it could look at the laws and regulations of countries relating to local corporate and private philanthropy with a view to encouraging such funding.

31. In the discussion following the fifth and sixth presentations, it was reiterated that South-South cooperation did not exist because of United Nations interventions. It was suggested that the United Nations, given its global reach, could help to identify complementarities and synergies in the North and in the South in order to strengthen South-South and triangular cooperation.

32. In closing the session, the Moderator referred to the need for new mechanisms to promote South-South cooperation, greater coordination among the organizations of the United Nations system and increased support to resource mobilization. UNDP country offices should help countries to develop South-South cooperation strategies.